THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir. Government have approved the building of Strategic Crude Oil Reserves of 5 Million Metric Tonnes (MMT) at Mangalore (1.5 MMT), Vizag (1.0 MMT) and Mangalore or nearby location (2.5 MMT).

(b) The proposal involves a capital cost of Rs. 2,396.83 crore and a crude oil cost of about Rs. 8,870 crore (at US$ 55.00/barrel crude cost) with an estimated operation and maintenance cost of about Rs. 90 crore per annum after completion of the project.

(c) No, Sir. The storage is being planned as a sovereign critical strategic reserve entirely owned and financed by Government.

(d) Does not arise in view of (c) above.

Crude oil production

†1472. SHRI RAVI SHANKAR PRASAD:
DR. MURLI MANOHAR JOSHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that present rate of production of crude oil from the crude oil reserves of the country is extremely slow;

(b) if so, the amount of crude oil estimated to be available in the crude oil reserves of the country till April, 2005.

(c) the targeted amount of crude oil production from these reserves for 2005-06; and

(d) the actual production likely to be made keeping in view the production made so far?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) The reserve to production ratio (R/P) of crude oil in the country in 2004-05 is about 22 years. For different regions of the world, the R/P ratio varies from 81.6 years for West Asia to 11.6 years for North America. For Europe and Eurasia it is 21.6 years. In the Asia-Pacific region, the maximum duration reported is 20.4 years for Australia, with an average of 14.2 years for the entire region.

†Original notice of the question was received in Hindi.

(b) As on 1.04.2005, balance recoverable crude oil reserves in the country were about 740.77 MMT.

(c) The oil production of the country during 2005-06 (BE) is estimated to be 34.564 MMT.

(d) Keeping in view the production made so far, crude oil production in the country during 2005-06 as per the Revised Estimate, is likely to be 32.951 MMT.

Strike of transporters

†1473. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the last month's strike of transporters and reduction in market supply by cutting supply of LPG by gas manufacturers was sponsored; and

(b) whether its objective was to force consumers to adopt other methods by encouraging black marketing of gas?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Public Sector Oil Marketing Companies (OMCs) have reported that there was no strike by their LPG transporters during the months of October, 2005.

As regards the temporary LPG shortage, it may be stated that the LPG requirements are met by a combination of domestic production and imports. A temporary shortage of LPG emerged in September, 2005 on account of various factors. PSU production in the period April -September, 2005 was 303 (Thousand Metric Tonne) TMT less than planned; Reliance Industries Ltd. (RIL) production was 190 TMT less than planned. In consequence, physical inventories with oil marketing companies (OMCs) declined from 333 TMT at the beginning of April, 2005 to 190 TMT at the beginning of October, 2005. Then, with effect from 4th October, 2005, RIL, the single largest domestic supplier of LPG, shut down their Fluidized Catalytic Cracker (FCC) unit at Jamnagar for maintenance work. Moreover, at just about the same time, as RIL confirmed its shutdown effective October, 2005, domestic production prospects were seriously empacted by the fire in Mumbai High North and global LPG supplies became tight, largely on account of the impact

†Original notice of the question was received in Hindi.